



81 Days of Progress

INTERIM MAYOR TODD GLORIA

City of San Diego

WEEKLY UPDATE: November 19, 2013

As San Diegans go to the polls today to pick our next Mayor, work continues here at City Hall. The prior administration made some choices that were harmful to San Diego, and I have spent the last 10 weeks or so moving us forward from those.

Tourism Marketing District

This week, the City Council has the opportunity to address a major leftover problem: giving our Tourism Marketing District the ability to market San Diego again. The City has come to an agreement with TMD that will be presented to Council on Thursday. The agreement balances the need to protect the City by building a litigation reserve with the need to invest back into the market to bring visitors to San Diego.

While we haven't seen a significant decrease in Transient Occupancy Tax because of the TMD yet, the longer we suspend marketing efforts, the more likely we will see a dip in TOT revenues, which directly impact the City's General Fund.

To that point, Los Angeles, Orange County, and Northern California have all seen substantial increases to their revenue per available room so far in 2013. This data is the combination of a region's Average Daily Hotel Rate and its occupancy.

- Los Angeles has seen growth of over 7%
- Orange County has seen close to 10% growth
- Northern California is enjoying growth of more than 10%
- San Diego is not quite at 3% growth

What these numbers demonstrate is that the tourism industry itself is growing. And that's good news. The not-so-good-news is that San Diego is not pulling in its share of visitors. We're leaving TOT on the table, and other cities are gladly eating it up. For the current fiscal year, we projected 6% growth of TOT revenues. Through the first quarter, we've missed our target with only 5.7% growth.

Living here, it seems obvious that people would want to come here. We have perfect weather, great beaches, a phenomenal Balboa Park, and so much more. But if you're in Ohio, San Diego may not be on the radar screen for your next vacation. That's where marketing comes in.

The Plan the City Council will consider Thursday is to withhold funds from TMD to ramp up to a reserve of \$30 million within four years.

- Once litigation concludes, those funds will be released.
- There is a provision in the agreement that would allow the City to always withhold funds should another suit be filed.

I firmly believe this agreement makes sense for taxpayers, the visitor industry, and our City, and I ask the City Council for its approval on Thursday. Even more, I look forward to re-launching our marketing efforts and showing off our great City once again to visitors.

BIO International

There is some good news for our region this week. I'll be joining leaders of the biotechnology industry tomorrow to announce the BIO International conference will return to San Diego in 2014. This is a huge win for our region and gives us a chance to not only host many thousands of visitors, but to showcase our City as a supportive home for bio, tech, and other science and engineering fields.

Solar-Energy Systems

I have some good news to report on the topic of making our City government as sustainable as possible. We are now seeking contractors to install solar-energy systems on several City facilities. The first phase of the project would be to install these systems at two Public Utilities Department locations – the Bayview Reservoir in La Jolla and the Metropolitan Operations Center in Kearny Mesa. In the second phase, we will be looking at a host of other City facilities to install similar systems – libraries, parks, pump stations, and storage buildings. The projected cost is roughly \$15 million. Once completed, installation of solar could save the City as much as \$4,000,000 in energy costs over the next 20 years.

Fire Station Alerting System

Work has finally begun to replace the Fire Station Alerting system. It should be online by October 2014. This project replaces the aging and outdated system and will provide faster, more specific, and more accurate incident information to our Fire-Rescue personnel, allowing them to react to emergencies faster.

Emergency Medical Services RFP

On a similar note, I want to let you know that the emergency medical services RFP is expected to be released the week of December 2. The State and County had to sign off on it again because the RFP was on the shelf so long.

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